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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2023 AND ENDING 12/31/2023  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Higgins Capital Management, Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

2223 Avenida de la Playa, Suite 210

(No. and Street)

La Jolla

CA

92037

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Deborah M. Higgins

858-459-2993

debbie@higginscapital.com

(Name)

(Area Code - Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Dylan Floyd Accounting & Consulting

(Name - if individual, state last, first, and middle name)

(Address)

(City)

(State)

(Zip Code)

20909 Judah Lane

Los Angeles

CA

91321

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

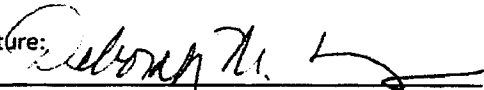
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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Deborah M. Higgins, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Higgins Capital Management, Inc., as of 12/31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Signature:   
Title: President

Charlotte Minter 2/20/2024  
Notary Public (see attached notary form)

This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
- (b) Notes to consolidated statement of financial condition.
- (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- (d) Statement of cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

**GOVERNMENT CODE § 8202**

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

4 \_\_\_\_\_

5 \_\_\_\_\_

6 \_\_\_\_\_

*Signature of Document Signer No. 1*                      *Signature of Document Signer No. 2 (if any)*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

Subscribed and sworn to (or affirmed) before me

County of SAN DIEGO

on this 20 day of FEBRUARY, 2024  
by                      Date                      Month                      Year

(1) DEBORAH M. HIGGINS

(and (2) - N/A -),  
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Signature Charlotte Mitchell  
Signature of Notary Public

Place Notary Seal and/or Stamp Above

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Oath or Affirmation Form X-17A-5

Document Date: 2/20/2024                      Number of Pages: 2

Signer(s) Other Than Named Above: -

**HIGGINS CAPITAL MANAGEMENT, INC.**  
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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders  
Higgins Capital Management Inc

### Opinion on the Financial Statements

I have audited the accompanying statement of financial condition of Higgins Capital Management Inc. as of December 31, 2023, the related statements of income, changes in shareholders' equity, and cash flows for the 2023 then ended, and the related notes and schedules. In my opinion, the financial statements present fairly, in all material respects, the financial position of Higgins Capital Management Inc. as of December 31, 2023 and the results of its operations and its cash flows for the 2023 then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of Higgins Capital Management Inc. My responsibility is to express an opinion on Higgins Capital Management Inc. financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Higgins Capital Management Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. My audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. My audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

### Auditor's Report on Supplemental Information

The supplemental information consist of schedules I & II has been subjected to audit procedures performed in conjunction with the audit Higgins Capital Management, Inc.'s financial statements. The supplemental information is the responsibility of Higgins Capital Management, Inc.'s management. My audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming my opinion on the supplemental information, I evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In my opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*DylanFloyd Accounting & Consulting*

Newhall, California  
February 23, 2024

I have served as the Company's auditor since 2022.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2023**

**ASSETS**

Cash	\$	102,329
Cash at clearing organization		501
Investment in securities		7,623
Due from broker		40,239
Deposits at clearing organization		50,000
Prepaid expense		1,885
Operating lease right-of-use asset		<u>7,306</u>
<b>Total Assets</b>	<b>\$</b>	<b><u>209,883</u></b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Liabilities**

Accounts payable	\$	7,379
Operating lease liability		<u>7,306</u>

**Total Liabilities** 14,685

**Stockholders' Equity**

Common stock stated at \$1 per share; authorized 1,000,000 shares; issued and outstanding 10,000 shares		10,000
Paid in capital		17,875
Retained earnings		<u>167,323</u>

**Total Stockholders' Equity** 195,198

**Total Liabilities and Stockholders' Equity** **\$ 209,883**

The accompanying notes are an integral part of these financial statements.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Revenue</b>	
Commissions and fees	\$ 320,044
Interest income	2,092
Other income	<u>1,021</u>
<b>Total Revenue</b>	323,157
<b>Operating Expenses</b>	
Compensation and benefits	60,574
Communication and data	43,262
Clearing fees and other trading charges	38,053
Rent	37,475
Professional fees	15,378
Regulatory fees	9,508
Realized and unrealized losses, net	1,216
Other operating expenses	<u>67,610</u>
<b>Total Operating Expenses</b>	<u>273,076</u>
Income before tax	50,081
Tax provision	<u>1,053</u>
<b>Net Income</b>	<u><u>\$ 49,028</u></u>

The accompanying notes are an integral part of these financial statements.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Common Stock</b>	<b>Additional Paid in Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Stockholders' equity as of December 31, 2022	\$ 10,000	\$ 17,875	\$ 118,295	\$ 146,170
Net income			49,028	49,028
Stockholders' equity as of December 31, 2023	\$ 10,000	\$ 17,875	\$ 167,323	\$ 195,198

The accompanying notes are an integral part of these financial statements.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Cash Flows from Operating Activities**

Net income	\$	49,028
Adjustments to reconcile net income		
to net cash used in operating activities:		
Realized and unrealized losses, net		1,141
Amortization of operating right-of-use asset		28,327
(Increase) decrease in:		
Due from broker		(18,500)
Increase (decrease) in:		
Accounts payable		(256)
Operating lease liability		<u>(28,327)</u>
<b>Net Cash Provided by Operating Activities</b>		<u>31,413</u>
<b>Net Increase in Cash</b>		31,413
Cash at beginning of year		<u>121,417</u>
<b>Cash at End of Year</b>	<b>\$</b>	<b><u>152,830</u></b>

**Supplemental Cash Disclosures**

Taxes paid	\$	<u>1,053</u>
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The accompanying notes are an integral part of these financial statements.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**1. Organization**

Higgins Capital Management, Inc., (the Company), is a registered broker dealer incorporated under the laws of the State of California maintaining its principal office in La Jolla, California. The Company operates as a registered broker dealer in securities under the provisions of the Securities and Exchange Act of 1934. The Company acts as an introducing broker dealer and clears transactions with and for customers on a fully disclosed basis through a clearing broker dealer. The Company's business consists of the retail of corporate debt and equity securities, United States government securities, municipal securities and investment advisory services. The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA").

**2. Significant Accounting Policies**

***Basis of Accounting***

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

***Fair Value of Financial Instruments***

Unless otherwise indicated, the fair value of all reported assets and liabilities that represent financial instruments approximate the carrying value of such amount.

***Cash and Cash Equivalents***

The Company considers all highly liquid instruments with a maturity of three months or less from the date of purchase, other than those held for sale in the ordinary course of business, to be cash equivalents. There were no cash equivalents as of December 31, 2023.

***Commissions Receivable***

Accounts receivable represents commissions due to the Company from the sale of securities. The Company accounts for estimated credit losses on financial assets measured at an amortized cost basis and certain off-balance sheet credit exposures in accordance with FASB ASC 326-20, *Financial Instruments - Credit Losses*. FASB ASC 326-20 requires the Company to estimate expected credit losses over the life of its financial assets and certain off-balance sheet exposures as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts.

The Company records the estimate of expected credit losses as an allowance for credit losses. For financial assets measured at an amortized cost basis, the allowance for credit losses is reported as a valuation account on the balance sheet that is deducted from the asset's amortized cost basis. Changes in the allowance for credit losses are reported as bad debt expense on the Statement of Income. Per management's analysis, no allowance for doubtful accounts was considered necessary as of December 31, 2023.

***Revenue Recognition***

Revenue is earned through services related to brokerage and management. Brokerage commissions and related clearing and floor brokerage expenses are recorded at a point in time on either the trade or settlement date basis, which are not materially different. Mutual fund fees and mutual fund trails are recognized upon the settlement date of the related transaction which is not materially different than trade date. Management fees are received at the beginning of each quarter and the performance obligation is considered met by the end of each quarter.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**2. Significant Accounting Policies (continued)**

***Leases***

At inception, the Company determines if an agreement constitutes a lease and, if so, whether the lease is an operating or finance lease. Leases that have terms of one year or less are deemed short term and are expensed on a straight-line basis over the term of the lease. Operating leases that exceed one year are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the Statement of Financial Condition. Finance leases that exceed one year are included in property and equipment and other liabilities on the Statement of Financial Condition. For the year ended December 31, 2023, the Company had one long term operating lease.

***Income Taxes***

Income taxes provide for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are not significant for the Company.

The Company evaluates its tax positions for any potential uncertain tax positions. If applicable, the Company accrues for those positions identified which are not deemed more likely than not to be sustained if challenged and recognizes interest and penalties on any unrecognized tax benefits as a component of the provision for the income taxes. As of December 31, 2023, there are no uncertain tax positions.

For the year ended December 31, 2023, the provision for income taxes shown consists of the Company's share of state income taxes of \$800 and federal income taxes of \$253. The Company is no longer subject to federal and state income tax examinations by tax authorities for years before 2020 and 2019, respectively.

**3. Deposits with Clearing Organizations**

The Company's clearing broker, RBC Correspondent Services ("RBC"), requires the Company maintain a minimum of \$50,000 in cash deposits.

**4. Cash**

For the purpose of preparing the statement of cash flows, cash consists of the following:

	<b>December 31, 2023</b>
Cash	\$ 102,329
Cash at clearing organization	501
Deposits with clearing organization	50,000
<b>Total cash shown in the Statement of Cash Flows</b>	<b>\$ 152,830</b>

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**5. Fair Value Measurements**

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

***Determination of Fair Value***

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

As of December 31, 2023, the Company's assets measured at fair value on a recurring basis consist of the following:

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Exchange traded fund	\$ 7,623	-	-	\$ 7,623

**6. Lease**

Operating lease ROU assets represent the Company's right to use an underlying asset for the lease term. Lease liabilities represent the Company's obligation to make lease payments arising from the operating lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Payments made for lease incentives are excluded. Since the Company's lease does not provide an implicit rate, the Company's uses the incremental borrowing rate. The incremental borrowing rate is based on the estimated rate of interest for a collateralized borrowing over a similar term of the lease payments at commencement date. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. As of December 31, 2023, no such option to extend existed. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company has a lease agreement with lease and non-lease components. Such non-lease components are accounted for separately.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**6. Lease (continued)**

On February 11, 1999, the Company entered into a lease for office space in La Jolla, California that commenced on April 1, 1999. On January 27, 2021, the lease was amended to extend the lease term thirty-six months to expire on March 31, 2024. Therefore, the Company remeasured its ROU liability as of April 1, 2021. For the year ended December 31, 2023, information pertaining to the operating lease was as follows:

<b>Supplemental Information</b>	
<b>Operating Lease ROU Asset</b>	
ROU asset on January 1, 2023	\$ 35,633
Amortization of ROU asset as of December 31, 2023	(28,327)
ROU asset as of December 31, 2023	\$ 7,306
Total operating lease cost included in rent on the Statement of Income	\$ 29,344
Payments made on operating lease liability	\$ 29,344
Remaining lease term	3 months
Discount rate	5.0%
<b>Maturity of Operating Lease Liability</b>	
2024	7,336
Less discount	( 30)
Total operating lease liability	\$ 7,306

**7. Revenue from Customers**

In accordance with ASU 2014-09, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The following provides detailed information on the recognition of revenues:

***Commissions, Mutual Fund Fees, Mutual Fund Trails, and Fees from Trading ("Fees")***

The Company enters into arrangements with managed accounts or other pooled investment vehicles (funds) to distribute shares to investors. The Company may receive Fees paid by the fund up front, over time, upon the investor's exit from the fund, or as a combination thereof. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on the trade date. Any fixed amounts are recognized on the trade date and variable amounts are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the fund and the investor activities are known, which are usually monthly or quarterly. Fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods.

In accordance with ASU 2014-09, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**7. Revenue from Customers (continued)**

The following provides detailed information on the recognition of revenues:

***Disaggregation of Revenue***

The following table presents the Company's revenue from customers by business activity and other sources of revenue for the year ended December 31, 2023:

	Institutional Investors	Private Client	Other	Total
Revenue from customers:				
Commissions	\$ 245,461	\$ 451	\$ -	\$ 245,912
Management fees	-	72,391	-	72,391
Mutual fund trails	-	141	-	141
Consulting	1,600	-	-	1,600
Total revenue from customers	\$ 247,061	\$ 72,983	\$ -	\$ 320,044
Other sources of revenue:				
Interest income	-	-	2,092	2,092
Other income	-	-	1,021	1,021
Total other sources of revenue	-	-	3,113	3,113
Total revenue	\$ 247,061	\$ 72,983	\$ 3,113	\$ 323,157

***Contract Balances***

Income is recognized upon completion of the related performance obligation and when an unconditional right to payment exists. The timing of revenue recognition may differ from the timing of payments. A receivable is recognized when a performance obligation is met prior to receiving payment. At January 1, 2023 and December 31, 2023, receivables related to revenue from RBC and were \$21,739 and \$40,239, respectively. There was no significant impairment related to these receivables during the year ended December 31, 2023.

Alternatively, fees received prior to the completion of the performance obligation would be recorded as deferred revenue on the Statement of Financial Condition until such time when the performance obligation is met. Since the Company does not collect any fees in advance at quarter end, there is no deferred revenue as of January 1, 2023 and December 31, 2023.

***Customer Costs***

Expenses associated with the Company's revenue streams are recognized as incurred as related performance obligations are satisfied over time.

**8. Net Capital Requirements**

The Company is subject to the SEC's uniform net capital rule (Rule 15c3-1) which requires the Company to maintain a minimum net capital equal to or greater than \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. At December 31, 2023, the Company's net capital was \$192,170, which exceeded the requirement by \$187,170. At December 31, 2023, the Company's net capital ratio computed in accordance with Rule 15c3-1(d) was 3.84%.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**9. Financial Instruments with Off-Balance-Sheet Credit Risk**

As a securities broker, the Company executes transactions with and on the behalf of customers. The Company introduces these transactions for clearance to a clearing firm on a fully disclosed basis. In the normal course of business, the Company's customer activities involve the execution of securities transactions and settlement by its clearing broker. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to nonperformance by its customers. These activities may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at the prevailing market price in order to fulfill the customer's obligation. The Company seeks to control off-the-balance-sheet credit risk by monitoring its customer transaction and reviewing information it receives from its clearing broker on a daily basis and reserving for doubtful accounts when necessary.

**10. Subsequent Events**

The Company has evaluated subsequent events through the date of the Report of the Independent Registered Public Accounting Firm which is also the date the financial statements were issued.

**SUPPORTING SCHEDULES**

**PURSUANT TO RULE 17a-5 OF THE SECURITIES EXCHANGE ACT**

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**SCHEDULE I**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2023**

Net capital		
Total stockholders' equity	\$	195,198
Less: Non-allowable assets		
Prepaid expense		<u>1,885</u>
Net capital before haircut	\$	193,313
Haircut on investment in securities		<u>1,143</u>
Net capital	\$	<u><u>192,170</u></u>
Net minimum capital requirement of 6 2/3% of aggregate indebtedness of \$7,379 or \$5,000, whichever is greater		<u>5,000</u>
Excess Net Capital	\$	<u><u>187,170</u></u>

**RECONCILIATION WITH COMPANY'S NET CAPITAL COMPUTATION  
INCLUDED IN PART II OF FORM X-17A-5  
AS OF DECEMBER 31, 2023**

There were no material differences between the Computation of Net Capital included in this report and the corresponding schedule included in the Company's audited December 31, 2023 Part IIA FOCUS filing.

**HIGGINS CAPITAL MANAGEMENT, INC.**  
**SCHEDULE II**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
AND INFORMATION RELATING TO POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND  
EXCHANGE COMMISSION  
FOR THE YEAR ENDED DECEMBER 31, 2023**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(ii).

In addition, the Company provides investment and municipal advisory services that are not based upon section (k)(2)(ii). The Company does not accept customer funds or securities and does not have possession of any customer funds or securities in connection with these activities. Therefore, in reliance on Footnote 74 to SEC Release 34-70073 and as discussed in Q & A 8 of the related FAQ issued by SEC staff, the Company does not claim an exemption from SEA Rule 15c3-3 as it does not effect transactions for anyone defined as a customer under Rule 15c3-3 and there are no items to report under the requirement of this Rule.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### Exemption Report Review—No Exceptions to Exemption Provisions

To the Board of Directors and Shareholders  
Higgins Capital Management Inc.

I have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report pursuant to SEC Rule 17a-5, in which:

- (1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(ii)
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3 (k) throughout the most recent fiscal year without exception.
- (3) The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to investment advisory fees and municipal advisory fees, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/ or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year.

Higgins Capital Management Inc.'s management is responsible for compliance with exemption provisions and its statements.

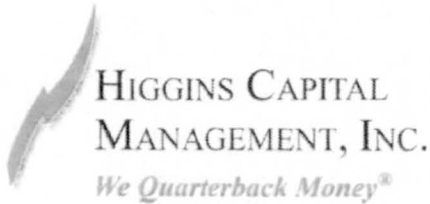
My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Higgins Capital Management Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the Company's business activities contemplated by Footnote 74 of SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5, and related SEC staff Frequently Asked Questions.

*DylanFloyd Accounting & Consulting*

Newhall, California  
February 23, 2024

I have served as the Company's auditor since 2022.

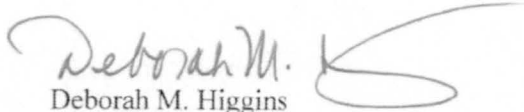


## SEA RULE 15C3-3 EXEMPTION REPORT

Higgins Capital Management, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchanges Commission (17 C.F.R. § 240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(ii).
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3 (k) throughout the most recent fiscal year without exception.
- (3) The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No 34-70073 adopting amends to 17 C.F.R. § 240.17a-5 are limited to investment advisory fees and municipal advisory fees, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/ or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year.

I, Deborah M. Higgins, President of the "Company", affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

  
Deborah M. Higgins  
President

January 19, 2023